

**ABSTRACT OF THE DISCLOSURE**

A surgical instrument and method for forming a passage in bone having an enlarged cross-sectional portion is provided. The instrument includes an elongate member and a cutting element engaged thereto and transitionable between a retracted configuration for extending through a first portion of the passage and an expanded configuration for forming a second portion of the passage having an enlarged cross-section. In one embodiment, the cutting element is transitioned between the retracted and expanded configurations by axially displacing the cutting element relative to the elongate member. In another embodiment, the elongate member includes a tapping thread configured to cut threads along the first portion of the passage, and the cutting element is a blade configured to form the enlarged cross-section when transitioned to the expanded configuration. In another embodiment, the cutting element is arranged in an axial orientation when in the retracted configuration and an angular orientation when in the expanded configuration.